

**JEFFERSON COMMUNITY & TECHNICAL COLLEGE'S  
ADMINISTRATION OF TRIMBLE COUNTY'S ADULT  
EDUCATION GRANTS FROM THE COUNCIL ON  
POSTSECONDARY EDUCATION AND KENTUCKY  
ADULT EDUCATION**

**For The Period  
July 1, 2008 Through June 30, 2009**



**CRIT LUALLEN  
AUDITOR OF PUBLIC ACCOUNTS  
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**CRIT LUALLEN**  
**AUDITOR OF PUBLIC ACCOUNTS**

September 14, 2010

Reecie Stagnolia, Vice President  
Kentucky Adult Education  
Council on Postsecondary Education  
1024 Capital Center Drive, Suite 250  
Frankfort, KY 40601

Anthony Newberry, President & CEO  
Jefferson Community & Technical College  
109 East Broadway  
Louisville, KY 40202

Re: Adult Education Grants

Dear Mr. Stagnolia and Dr. Newberry:

This report contains the results of the performance audit of Jefferson Community & Technical College's administration of Trimble County's adult education grant for the fiscal year (FY) ending June 30, 2009. The Council on Postsecondary Education and Kentucky Adult Education contracted with this office to conduct performance audits of selected local adult education programs. This report represents our findings, recommendations, and the program's responses.

The Auditor of Public Accounts conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

We greatly appreciate the courtesies and cooperation extended to our staff during the audit.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Crit Luallen", written over a horizontal line.

Crit Luallen  
Auditor of Public Accounts



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EDUCATION AS OF JUNE 30, 2009**

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**EXECUTIVE SUMMARY**

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**PURPOSE AND SCOPE**

The Council on Postsecondary Education (CPE) and Kentucky Adult Education (KYAE) selected the Trimble County adult education program for a limited scope performance audit of its adult education grant. The Jefferson Community & Technical College is responsible for the administration of this grant. An on-site review was conducted on May 24, 2010 through May 26, 2010, to address the following objectives:

- Determine whether the local program's expenditures comply with the terms of their grant agreement and reconcile to invoices submitted.
- Reconcile student and faculty data electronically submitted to KYAE through the Adult Education Reporting Information Network (AERIN).
- Determine whether the local program's professional development activities comply with the FY 2008-2009 professional development policies and procedures.
- Report internal control weaknesses identified during our audit that relate to the audit's objectives.

To accomplish these objectives, the performance audit team reviewed the Policy and Procedure Manual for Kentucky Adult Education, as well as the local program's grant proposal and final agreement with KYAE. During the on-site review, the audit team reviewed the program's accounting records (trial balance/general ledger), interviewed program administrators regarding internal controls related to the above grants, and tested samples of expenditure documentation, participant files, and personnel files for compliance with applicable requirements.

Below is the summary of findings:

**No exceptions were noted for this program.**

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## **RESULTS AND RECOMMENDATIONS**

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### **FINANCIAL REPORTING AND COMPLIANCE**

#### **Scope and Methodology**

The KYAE-10 Expenditure Reports were compared to the line item budget approved in the final agreement. This comparison was used to determine whether the program's reimbursements complied with the approved budget.

The KYAE-10 Expenditure Reports were then compared to the local program's internally generated financial records. This comparison was used to determine whether the program's accounting records support the total amount requested for reimbursement on the KYAE-10 Expenditure Reports.

#### **Findings**

No exceptions were noted.

### **PARTICIPANT ELIGIBILITY AND RECORD KEEPING**

#### **Scope and Methodology**

A total of 6 participants were selected randomly from the electronic student data sent from KYAE. Documentation maintained in the participant files was compared to the electronic student data. We examined the files for the following:

- Proper eligibility documentation.
- Proper assessment testing.
- Evidence to support the achievement of goals/objectives reported to KYAE.
- Other requirements based upon the applicable program requirements.

The participants tested received services during the period from July 1, 2008 through June 30, 2009.

#### **Findings**

No exceptions were noted.



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**PAYROLL AND STAFF REQUIREMENTS**

**Scope and Methodology**

A sample of payroll disbursements was judgmentally selected for payroll testing. Documentation of hours worked was examined for existence and approval. Personnel files were examined to verify that staff had received the required professional development training hours and had the proper educational credentials required for their position.

**Findings**

No exceptions were noted.

**PURCHASING/EXPENDITURE COMPLIANCE**

**Scope and Methodology**

A sample of 5 expenditures, representing at least 20 percent of the total purchases, was selected judgmentally from the detailed general ledger. These expenditures were tested for authorization/approval, supporting documentation, and proper recording. We also verified that the expenditures were made during the grant period from July 1, 2008 through June 30, 2009.

**Findings**

No exceptions were noted.

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**PROFESSIONAL DEVELOPMENT REIMBURSEMENT COMPLIANCE**

**Scope and Methodology**

Professional development expenditures were tested for proper authorization, supporting documentation, and adherence to approved rates and reimbursement policies. A sample of 1 expenditure, representing at least 20 percent of the total professional development expenditures, was selected judgmentally from the detailed general ledger.

**Findings**

No exceptions were noted.

**INTERNAL CONTROLS RELATING TO GRANT**

**Scope and Methodology**

Jefferson Community & Technical College's Program Director was given an Internal Control Questionnaire regarding the controls in place for expenditures, bank reconciliations, revenue, and payroll. The questionnaire was completed by the program director and/or the fiscal administrator and reviewed by the audit team for any significant control deficiencies.

**Findings**

No significant control deficiencies were noted.

